

customers in the ordinary course of trade or business and only in the case of property described in the last sentence of subsection (b) (3)).”

SEC. 2. Section 1237 (b) (3) of the Internal Revenue Code of 1954 is amended as follows:

(a) In subparagraph (A) strike out “water or sewer facilities” and insert: “water, sewer, or drainage facilities”.

(b) At the end of paragraph (3) insert “The requirements of subparagraphs (B) and (C) shall not apply in the case of property acquired through the foreclosure of a lien thereon which secured the payment of an indebtedness to the taxpayer or (in the case of a corporation) to a creditor who has transferred the foreclosure bid to the taxpayer in exchange for all of its stock and other consideration and in the case of property adjacent to such property if 80 percent of the real property owned by the taxpayer is property described in the first part of this sentence.”.

SEC. 3. This Act shall apply to all taxable years beginning after December 31, 1954.

Approved April 27, 1956.

Nonapplicability.

Effective date.

Public Law 496

CHAPTER 215

AN ACT

To amend section 5146 of the Revised Statutes, as amended, relating to the qualifications of directors of national banking associations.

April 27, 1956
[S. 1736]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5146 of the Revised Statutes, as amended (U. S. C., 1952 edition, title 12, sec. 72), is amended by deleting therefrom the words “three-fourths”, “fifty” and “fifty-mile”, and substituting therefor the words “two-thirds”, “one hundred” and “one-hundred-mile”, respectively.

41 Stat. 1199.

Approved April 27, 1956.

Public Law 497

CHAPTER 223

AN ACT

To provide for the procurement of medical and dental officers of the Army, Navy, Air Force, and Public Health Service, and for other purposes.

April 30, 1956
[H. R. 9428]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 201 and 202 of the Army-Navy-Public Health Service Medical Officer Procurement Act of 1947 (61 Stat. 777) are amended to read as follows:

Army-Navy-PHS
Medical Officer
Procurement Act of
1947, amendment.
10 USC 91a and
note, 91b and note.

“SEC. 201. (a) Subject to any limitation on the commissioned strength of the Army, Navy, and Air Force prescribed by law, the President, by and with the advice and consent of the Senate, may make appointments in permanent grades of first lieutenant through colonel in the Medical and Dental Corps of the Regular Army, lieutenant (junior grade) through captain in the Medical and Dental Corps of the Regular Navy, and first lieutenant through colonel for officers appointed with a view to designation as medical officers or dental officers in the Regular Air Force, in such numbers as the needs of the services may require. Such appointments shall be made only from qualified doctors of medicine and doctors of dentistry who are citizens of the United States and who have such other qualifications as the Secretary concerned may prescribe for his service.

Appointments in
permanent grades.

Service credit
for lineal posi-
tion, etc.

"(b) The doctors of medicine and doctors of dentistry appointed under this Act shall be credited for purposes of determining lineal position, permanent grade, position on a promotion list, seniority in permanent grade, and eligibility for promotion with the amount of service prescribed by the Secretary concerned, but not less than the minimum prescribed below. A doctor of medicine or doctor of dentistry appointed under this Act upon graduation from medical or dental school may not be credited with less than four years' service. A doctor of medicine appointed under this Act who has completed a one-year internship, or the equivalent thereof, may not be credited with less than five years' service.

Boards of review.

"(c) The Secretaries of the Army, Navy, and Air Force may convene boards of officers to review the records and compute the service of each officer of the Medical Corps or the Dental Corps of the Army or the Navy, and each medical or dental officer of the Air Force, appointed under any provision of law before the effective date of this amendatory Act, including those Reserve or temporary officers who are on active duty on the effective date of this amendatory Act or who enter on active duty after that date, in order to adjust the service credited to each such officer to reflect the service authorized to be credited to officers appointed under this Act. When that adjustment is made, such officers shall be given precedence for promotion purposes or advanced to a lineal position in accordance with their adjusted dates of rank, except that no officer of the Navy shall be given an adjusted date of rank in the grade of captain which is earlier than July 1, 1955. All officers of the Navy with the adjusted date of rank of July 1, 1955, in the grade of captain shall retain the precedence among themselves that they held on the effective date of this amendatory Act and shall be junior to all other officers assigned that date of rank. If, as a result of readjustment of service credit under this section—

"(1) an officer of the Army or the Air Force is made eligible for promotion, he shall be considered for promotion by the next selection board considering officers of his grade and category; and

"(2) an officer of the Navy attains lineal position equivalent to an officer who is serving in the next higher grade, or who is on a promotion list to that grade, he may be promoted thereto on the recommendation of a board of officers convened under this subsection, and, except as otherwise provided in this subsection, may be assigned a lineal position in the higher grade appropriate to his adjusted service credit.

Temporary officer.

10 USC 506d.

"(d) Each officer of the Medical Corps or the Dental Corps of the Army and each officer in the Air Force appointed with a view to designation as a medical or dental officer, who is appointed as a temporary officer under the provisions of subsection 515 (e) of the Officer Personnel Act of 1947 (61 Stat. 907) after the effective date of this amendatory Act, shall upon entering on active duty be credited with the amount of service authorized by subsection (b) of this section to be credited to officers appointed under this Act."

Temporary promotion.

"(e) Notwithstanding any other provision of law, including those relating to selection for promotion, a doctor of medicine or a doctor of dentistry who is appointed under this Act or any other provision of law may be temporarily promoted to the grade of captain in the Army or the Air Force, or lieutenant in the Navy, as the case may be, at any time after one year after completion of medical or dental school.

Running mate,
Navy.

"(f) An officer of the Medical Corps or Dental Corps of the Navy appointed in the grade of lieutenant (junior grade) shall be assigned

as his running mate the junior line officer in the grade of lieutenant (junior grade) with the same date of rank, or if there is none, the junior line officer of that grade with the next earlier date of rank.

"SEC. 202. The Secretaries of the Army, Navy, and Air Force may from time to time prescribe regulations necessary for the administration of this title within their respective departments."

Regulations.

SEC. 2. Section 202 (a) of the Career Compensation Act of 1949 (63 Stat. 807) is amended as follows:

37 USC 233.

(1) By striking out the period at the end of clause (6) thereof and inserting "; and" in lieu thereof.

(2) By adding the following new clause at the end thereof:

Service credit for pay computation.

"(7) For each officer of the Medical Corps or the Dental Corps of the Army or Navy, each officer of the Air Force designated as a medical or dental officer, and each officer of the Public Health Service commissioned as a medical or dental officer, four years; and for each such medical officer who has completed one year of medical internship or the equivalent thereof, one additional year; except that the service authorized to be credited to an officer under this clause shall be reduced by the amount of any service otherwise credited under this section which covers any part of the period of the officer's professional education or internship; and, notwithstanding any other provision of law, the service credit authorized by this clause shall not—

(A) be included in establishing eligibility for voluntary or involuntary retirement or separation from the service, under any provision of law;

(B) increase the retired or retirement pay of a person who became entitled to such pay prior to May 1, 1956; or

(C) increase the retired pay of a person who becomes entitled to such pay under title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 (62 Stat. 1087), on or after May 1, 1956, but who does not perform active duty after May 1, 1956."

10 USC 1036-1036i and notes.

SEC. 3. Title II of the Public Health Service Act (Act of July 1, 1944, 58 Stat. 683), as amended, is further amended by adding at the end thereof the following new section:

42 USC 202 et seq.

"PROMOTION CREDIT—ASSISTANT GRADE

"SEC. 220. Any medical officer of the Regular Corps of the Public Health Service who—

"(1) (A) was appointed to the assistant grade in the Regular Corps and whose service in such Corps has been continuous from the date of appointment or (B) may hereafter be appointed to the assistant grade in the Regular Corps, and

"(2) had or will have completed a medical internship on the date of such appointment,

shall be credited with one year for purposes of promotion and seniority in grade, except that no such credit shall be authorized if the officer has received or will receive similar credit for his internship under other provisions of law. In the case of an officer on active duty on the effective date of this section who is entitled to the credit authorized herein, the one year shall be added to the promotion and seniority-in-grade credits with which he is credited on such date."

SEC. 4. The Officer Personnel Act of 1947 (61 Stat. 795) is amended as follows:

34 USC 3a note.

(1) By inserting in the first sentence of paragraph (1) of section 211 (e) and in the first sentence of paragraph (3) of section 311 (d), after the words "a staff corps", the words "other than the Medical and

34 USC 305g, 306f..

Dental Corps", and deleting in those sentences the words "if of other than the Medical Corps, and in the preceding calendar year if of the Medical Corps,".

61 Stat. 890.
10 USC 506c.

(2) By striking out the following words in the second sentence of section 506 (c): "each person appointed and commissioned an officer of the Medical Corps of the Regular Army shall, at time of appointment, be credited with an amount of service equal to four years; each person appointed and commissioned an officer of the Dental Corps,".

(3) By striking out in section 506 (e) the words "the Medical Corps, the Dental Corps, and,".

Rate of special
pay.
63 Stat. 809.

SEC. 5. (a) Section 203 (b) of the Career Compensation Act of 1949, as amended (37 U. S. C. 234 (b)), is further amended by striking out the words "\$100 per month for each month of active service:" and inserting a dash and the following in lieu thereof:

"(1) \$100 per month for each month of active service for those medical and dental officers covered by subsection (a) who have not completed two years of active service in a category covered by that subsection;

"(2) \$100 per month for each month of active service for those veterinary officers covered by subsection (c);

"(3) \$150 per month for each month of active service for those medical and dental officers covered by subsection (a) who have completed at least two years of active service in a category covered by subsection (a);

"(4) \$200 per month for each month of active service for those medical and dental officers covered by subsection (a) who have completed at least six years of active service in a category covered by subsection (a); and

"(5) \$250 per month for each month of active service for those medical and dental officers covered by subsection (a) who have completed at least ten years of active service in a category covered by subsection (a)."

(b) Section 203 (b) of such Act is further amended by striking out the following words in the third proviso: "of \$100 per month as is".

37 USC 372.
Effective date.

SEC. 6. Any person who, on the day before the effective date of this Act, has not completed eighteen years of service creditable in the computation of active duty pay in the uniformed service of which he is a member and who, as a result of the enactment of this Act, is upon the effective date of this Act credited with more than seventeen years of such service shall, notwithstanding any other provision of law, be allowed twelve months from the effective date of this Act within which to make the election provided for in section 3 (a) of the Uniformed Services Contingency Option Act of 1953 (67 Stat. 502).

SEC. 7. This Act shall become effective the first day of the month following the date of enactment.

Approved April 30, 1956.

Public Law 498

CHAPTER 224

JOINT RESOLUTION

April 30, 1956
[S. J. Res. 160]

To suspend the application of certain laws of the United States with respect to counsel employed by the special committee of the Senate established by Senate Resolution 219, Eighty-fourth Congress.

Senate committee
counsel.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That service or employment of the person first duly appointed as counsel for the special